

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handloom Industry – Group of Ministers constituted to examine the issues pertaining to waiver of loans to weavers and related issues-- Recommendations of Group of Ministers-- Accepted- Orders- Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms..No. 29

Dated 31 -03-2010.

Read the following:-

1. G.O.Rt.No.3653, General Administration (Cabinet ) Department, dated 23-07-2009.
2. G.O.Rt.No.4596, General Administration (Cabinet ) Department, dated 19-09-2009.
3. G.O.Rt.No.5780, General Administration (Cabinet ) Department, dated 04-12-2009.

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ORDER:-

Andhra Pradesh is one of the leading States in the Country having large traditional base of Handloom Industry and produces most exotic items of Handloom fabric with traditional designs and techniques brought down from generation to generation. The Handloom is the largest cottage industry with a position next only to Agriculture in providing employment to rural artisans with low capital investment and environment friendly and also adaptable to the changing tastes, trends, designs, techniques, fashion etc., to withstand and compete in the market with active support of the Government. There are about 2.60 lakhs active looms in the State.

2. Government is taking various steps for the promotion of the socio-economic well being of the Handloom weavers, by implementing various welfare and developmental schemes. But the steps taken by the Government could bail out the weavers and Weavers Cooperative Societies from the Debt trap and indebtedness to some extent. In view of the competition from market, the goods produced by Weavers Cooperative Societies and weavers could not be sold at reasonable prices, resulting in low level of income and wages to the weavers. As a result, the weavers could not repay the loans taken from banks and became defaulters.

3. Keeping in view the plight of the weavers, a scheme is evolved with an objective to relieve the Weavers Co-operative Societies and Weavers from the indebtedness, so as to enable them to obtain fresh working capital from Banks to eke out their livelihood and to bring the weavers from out of the clutches of money lenders and micro finance companies.

4. In the references 1st to 3<sup>rd</sup> read above, orders were issued constituting the Group of Ministers to examine the issues pertaining to weavers, i.e., whether Handloom Weavers Co-operative Societies or individual weavers should get the benefit of loan waiver, Modernization of Handlooms and related issues.

5. The Group of Ministers have last met on 15-03-2010 to finalise the recommendations and made the following recommendations:-

- 1 To waive the overdue loans i.e., overdue principal and overdue interest of all weavers as on 31-03-2010 taken under Artisan Credit Cards Scheme/ Prime Minister Rozgar Yojana (P.M.R.Y.), Rajiv Yuva Shakti Yojana (RYS) after thorough scrutiny of the claims by District Level Committee under the Chairmanship of District Collectors and approved by the State Level Committee headed by the Director of Handlooms and Textiles.

(PTO)

2. The financial package shall be finalized duly negotiating with Banks for reducing the interest. Further, the Banks shall extend fresh loans to the extent of repayment made to each of Handloom Weavers whose outstanding loan has been waived.
3. The Committee recommends waiver of Bank loans to all the genuine working Primary Handloom Weavers Co-operative Societies duly verifying the genuineness and proper working of Co-operative Societies and thorough scrutiny of the claims by a Committee under the Chairmanship of the District Collectors (DLC) and approved by State Level Committee headed by the Director of Handlooms and Textiles.
4. The District Level Committee (DLC) consists following officers
  1. District Collector -- Chairman
  2. Assistant Director (H&T) -- Member/convenor
  3. Lead Bank Manager -- Member
  4. General Manager Industries -- Member
  5. Deputy General Manager, NABARD -- Member
  6. District Cooperative Audit Officer -- Member
5. The State Level Committee consists following officers:-
  1. Director of Handlooms and Textiles & DC, AEP's -- Chairman
  2. Additional Director, (H&T) -- Member/convenor
  3. Representative of SLBC -- Member
  4. Representative of APCOB -- Member
  5. Representative of NABARD -- Member
6. The Andhra Pradesh State Co-operative Bank Ltd., (APCOB) may be made Nodal Agency for releasing the amounts to the respective financial institutions and the money may be released by the Government and kept in the P.D. Account of APCOB. The quantum of release approved by District Level Committee / State Level Committee shall be adjusted directly to the account of individual societies/members maintained with the financing institutions.
7. The Andhra Pradesh State Co-operative Bank Ltd., (APCOB) / District Co-operative Central Banks (DCCBs) shall sanction fresh cash credit limits to meet working capital requirement of Handloom Weavers Co-operative Societies. The scheme shall not be applied to the Societies under statutory/vigilance enquiries pertaining to misappropriation and dormant/defunct societies which are beyond scope of revival. These cases will be examined after the enquiries are completed.
8. Group of Ministers recommends waiver of all overdue Government loans i.e., overdue principal and overdue interest payable by the Handloom Weavers Co-operative Societies (Cotton, Wool, Silk).
9. In respect of Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), the Committee recommends to sanction Rs.50.00 crores as additional share capital as per the recommendations of Sri Rosaiah Committee. Further, it is recommended to convert Rs.17.00 crores of loan sanctioned to implement VRS in APCO as additional share capital and release balance amount of Rs.33.00 crores to APCO and to be kept under PD account to be operated by APCO initially, so that the balance sheet of APCO improves.
10. Detailed operational guidelines shall be issued by the Government for implementing the Weaver Loan Waiver Scheme.

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6. After careful examination, Government have decided to accept the recommendations of the Group of Ministers. Accordingly, Government hereby accept the recommendation of the Group of Ministers as mentioned in para ( 5) above.

7. It is further decided by the Government that in respect of waiver of bank loans to all the genuine working Primary Handloom Weavers Co-operative Societies, first the overdue principal and overdue interest payable by the individual members will be waived and after receiving these Credits and repayments made to the financing bank, if any further overdue principal and overdue interest are still there, the same shall also waived. The Director of Handlooms and Textiles shall arrive at the audited overdue principal and overdue interest payable by the individual members and the Societies on the above lines and take further action.

8. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to take immediate action and send detailed draft operational guidelines and necessary proposals to the Government immediately and ensure that the scheme is implemented properly.

9. This order issues with the concurrence of Finance ( Exp.I&C) Department, vide their U.O.No.4069/136/Exp.I&C/2010, dated 31-3-2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.VEERABHADRAIAH,  
SECRETARY TO GOVERNMENT.

To

The Director of Handlooms and Textiles and Development  
Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad.  
The Accountant General, Andhra Pradesh, Hyderabad..  
The Pay and Accounts Officer, Hyderabad..  
The Director of Treasuries and Accounts, Andhra Pradesh, Hyderabad.  
The Vice-Chairman and Managing Director,  
Andhra Pradesh State Handloom Weavers Co-operative Society Limited  
(APCO), Hyderabad  
The Managing Director, Andhra Pradesh State Co-operative Bank Ltd.,  
(APCOB), Hyderabad.  
The Chief General Manager,  
National Bank for Agricultural and Rural Development (NABARD),  
Musheerabad, RTC X Road, Hyderabad-500 020.

Copy to:-

The Finance ( Exp.I&C) Department  
The Finance ( BG) Department  
The General Administration (Cabinet) Department  
The P.S to Special Secretary to Chief Minister.  
The P S to M(M&G,H&T,SM).  
The P.S. to M(Law & Courts, T.E)  
The P.S. to M(SSSI, S, K&VI, P&S)  
The P.S. to M(Rev.R&R, ULC).  
The P.S. to Chief Secretary to Government.  
The P S to Principal Secretary to Government & CIP,  
Industries and Commerce Department  
The P.S. to Secretary to Government, Industries and Commerce Department.  
SF/ SC.

// FORWARDED BY: ORDER//

SECTION OFFICER.